

2011 Property Tax Report

Fulton County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Fulton County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Fulton County

The average homeowner saw a 14.1% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 26.4% lower than they were in 2007, before the property tax reforms.

87.7% of homeowners saw lower tax bills in 2011 than in 2007.

60.7% of homeowners saw tax increases of 10% or more from 2010 to 2011.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	3,647	75.3%	562	11.6%
No Change	234	4.8%	36	0.7%
Lower Tax Bill	964	19.9%	4,247	87.7%
Average Change in Tax Bill	14.1%		-26.4%	
Detailed Change in Tax Bill				
20% or More	1,922	39.7%	283	5.8%
10% to 19%	1,018	21.0%	105	2.2%
1% to 9%	707	14.6%	174	3.6%
0%	234	4.8%	36	0.7%
-1% to -9%	279	5.8%	258	5.3%
-10% to -19%	159	3.3%	410	8.5%
-20% to -29%	151	3.1%	597	12.3%
-30% to -39%	114	2.4%	745	15.4%
-40% to -49%	75	1.5%	821	16.9%
-50% to -59%	34	0.7%	563	11.6%
-60% to -69%	19	0.4%	281	5.8%
-70% to -79%	18	0.4%	160	3.3%
-80% to -89%	22	0.5%	77	1.6%
-90% to -99%	16	0.3%	82	1.7%
-100%	77	1.6%	253	5.2%
Total	4,845	100.0%	4,845	100.0%

Note: Percentages may not total due to rounding.

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 LOSS OF STATE HOMESTEAD
 CREDIT, LOWER LOCAL
 HOMESTEAD CREDITS AND
 HIGHER TAX RATES RAISE
 HOMEOWNER TAX BILL
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Homestead Property Taxes

Homestead property taxes increased 14.1% on average in Fulton County in 2011. This was more than the state average of 4.4%. Fulton County homestead taxes were still 26.4% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.6% in Fulton County in 2010. Tax rates generally increased in Fulton as well. In addition, Fulton County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it. Homestead taxes were still relatively low because a substantial local homestead credit remained. As a result, very few homesteads were eligible for tax cap credits.

Tax Rates

Property tax rates increased in most Fulton County tax districts. The average tax rate increased by 4.3% because of an increase in the levy. Levies in Fulton County increased by 4.2%. The biggest levy increases were in the county general and hospital lease rental funds, the Rochester City Park fund, and the Rochester Community School Corporation debt service fund. Fulton County's total net assessed value increased 0.7% in 2011. (The certified net AV used to compute tax rates declined by 0.1%.) Homestead net assessments decreased by 2.1%. Other residential assessments and agricultural showed an increase at 2.8% and 2.6, respectively, while business net assessments had a small increase of 0.7%.

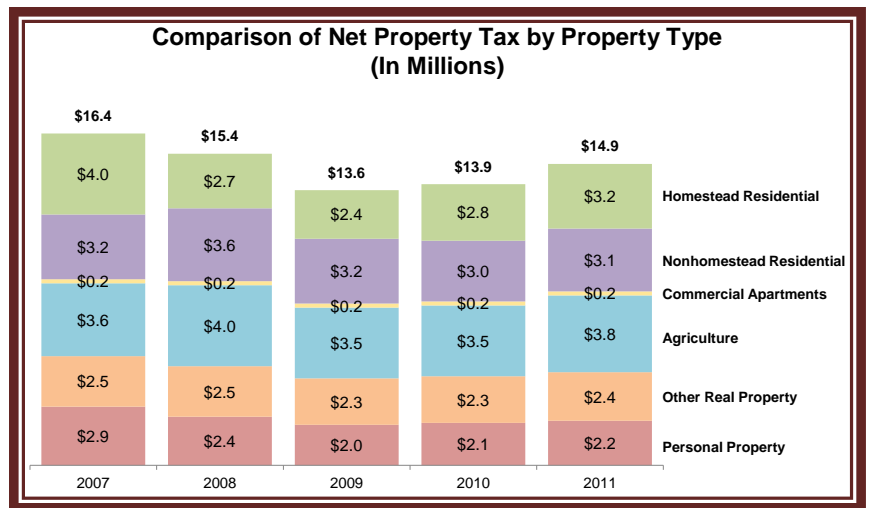
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**HIGHER TAX RATES AND INCREASED
ASSESSMENTS INCREASED TAX BILLS FOR
NONHOMESTEAD PROPERTY**

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 8.3% in Fulton County in 2011, higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 6.4%. Tax bills for commercial apartments increased 9.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 6.1%. These tax bill increases were due to higher rates and, for some property, higher net assessed values. Agricultural tax bills rose 7.1%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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**TAX CAP CREDITS INCREASED
IN 2011, BUT REMAINED LOW**

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Total tax cap credit losses in Fulton County were \$85,459, or 0.5% of the levy. This was much less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Fulton County's tax rates were less than the state median.

More than three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category. Fulton County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the towns of Akron, Fulton, and Kewanna. The largest dollar losses were in the Tippecanoe Valley School Corporation, Akron and Kewanna Towns, and the county unit.

Fulton County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$11	\$59,226	\$0	\$5,326	\$64,563	0.4%
2011 Tax Cap Credits	1,046	68,023	0	16,390	85,459	0.5%
Change	\$1,035	\$8,798	\$0	\$11,064	\$20,897	0.1%

Tax cap credits increased in Fulton County in 2011 by \$20,897, or 32%. The additional credits

represent an added loss of 0.1% of the total tax levy. Most of the increase in tax cap credits was in the elderly tax cap category, which limits tax increases for homeowners 65 and over to 2%. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits caused much of the elderly tax cap credit increase. The increase in tax rates in three of the districts with rates above \$2 caused the increase in the 2% category.

The Effect of Recession

The 2009 recession appears to have limited the growth in Fulton County assessments for pay-2011. Business and homestead property values and construction activity appeared to be nearly stagnant in Fulton County in 2009. The small increase in net assessed value contributed to higher tax rates. Rates were low, however, so this had little effect on tax cap credits. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. This credit reduction contributed to a rise in homestead tax bills.

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**2009 RECESSION REDUCED LOCAL
HOMESTEAD CREDIT RATES IN 2011**

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$653,835,550	\$659,082,975	0.8%	\$276,588,898	\$270,753,042	-2.1%
Other Residential	157,166,350	161,346,825	2.7%	155,714,571	160,089,096	2.8%
Ag Business/Land	264,081,710	270,951,620	2.6%	263,631,762	270,475,622	2.6%
Business Real/Personal	302,943,980	303,105,690	0.1%	264,524,260	266,313,826	0.7%
Total	\$1,378,027,590	\$1,394,487,110	1.2%	\$960,459,491	\$967,631,586	0.7%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Fulton County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	23,040,269	23,651,403	15,135,589	15,603,983	16,266,471	2.7%	-36.0%	3.1%	4.2%
State Unit	20,814	24,206	0	0	0	16.3%	-100.0%		
Fulton County	5,449,678	4,763,447	3,646,338	3,652,894	3,986,413	-12.6%	-23.5%	0.2%	9.1%
Aubeenauubee Township	48,247	50,306	51,954	47,294	54,841	4.3%	3.3%	-9.0%	16.0%
Henry Township	65,358	67,265	70,283	72,182	72,918	2.9%	4.5%	2.7%	1.0%
Liberty Township	37,316	39,722	40,465	41,617	43,610	6.4%	1.9%	2.8%	4.8%
Newcastle Township	44,772	46,880	46,929	46,678	37,205	4.7%	0.1%	-0.5%	-20.3%
Richland Township	29,708	30,825	29,566	31,111	30,921	3.8%	-4.1%	5.2%	-0.6%
Rochester Township	154,782	159,137	168,847	173,712	173,299	2.8%	6.1%	2.9%	-0.2%
Union Township	64,886	67,088	69,289	67,385	74,103	3.4%	3.3%	-2.7%	10.0%
Wayne Township	44,183	46,027	47,181	45,771	48,851	4.2%	2.5%	-3.0%	6.7%
Rochester Civil City	2,241,374	2,286,493	2,248,770	2,349,530	2,409,134	2.0%	-1.6%	4.5%	2.5%
Akron Civil Town	188,873	195,663	198,872	208,234	212,848	3.6%	1.6%	4.7%	2.2%
Fulton Civil Town	36,917	37,558	40,637	41,891	43,634	1.7%	8.2%	3.1%	4.2%
Kewanna Civil Town	164,474	167,106	172,812	178,792	185,141	1.6%	3.4%	3.5%	3.6%
Rochester Community School Corp	7,561,053	8,264,304	3,763,764	3,827,585	3,872,447	9.3%	-54.5%	1.7%	1.2%
Caston School Corp	2,160,394	2,228,268	1,054,900	1,103,712	1,087,671	3.1%	-52.7%	4.6%	-1.5%
Tippecanoe Valley School Corp	2,402,731	2,717,852	1,462,004	1,672,626	1,652,645	13.1%	-46.2%	14.4%	-1.2%
Culver Community School Corp	374,019	416,273	195,345	212,273	196,908	11.3%	-53.1%	8.7%	-7.2%
Eastern Pulaski Community School Corp	261,696	255,793	147,783	146,556	160,402	-2.3%	-42.2%	-0.8%	9.4%
Akron Carnegie Public Library	209,595	226,413	215,848	215,634	217,283	8.0%	-4.7%	-0.1%	0.8%
Kewanna Public Library	71,350	74,906	76,335	76,206	148,314	5.0%	1.9%	-0.2%	94.6%
Fulton County Public Library	945,815	1,021,931	1,047,911	1,043,861	1,145,922	8.0%	2.5%	-0.4%	9.8%
Fulton County Solid Waste Mgt Dist	0	0	0	0	0				
Fulton County Airport Authority	462,234	463,940	339,756	348,439	411,961	0.4%	-26.8%	2.6%	18.2%

Fulton County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
25001	Aubbeenaubbee Township	1.1117	4.2469%	--	34.2489%	--	--	--	0.6837
25002	Henry Township	1.8629	4.2469%	--	14.5045%	--	--	--	1.5136
25003	Akron Town	2.8135	4.2469%	--	20.7627%	--	--	--	2.1099
25004	Liberty Township	1.3215	4.2469%	--	14.2776%	--	--	--	1.0767
25005	Fulton Town	2.5823	4.2469%	--	2.8610%	--	--	--	2.3988
25006	Newcastle Township	1.7771	4.2469%	--	10.0464%	--	--	--	1.5231
25007	Richland Township	1.3555	4.2469%	--	45.8636%	--	--	--	0.6763
25008	Rochester Township	1.3895	4.2469%	--	17.1641%	--	--	--	1.0920
25009	Rochester City	2.0878	4.2469%	--	17.4435%	--	--	--	1.6349
25011	Kewanna Town	2.9945	4.2469%	--	33.3297%	--	--	--	1.8693
25012	Wayne Township	1.3477	4.2469%	--	100.0000%	--	--	--	0.0000
25013	Union Township - Rochester Schools	1.4673	4.2469%	--	25.8410%	--	--	--	1.0258
25014	Union Township - Eastern Pulaski Schools	1.4169	4.2469%	--	27.3199%	--	--	--	0.9696
25015	Union Township - Caston Schools	1.4333	4.2469%	--	11.8673%	--	--	--	1.2023

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Fulton County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	1,046	68,023	0	16,390	85,459	16,266,471	0.5%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	1,046	68,023	0	16,390	85,459	16,266,471	0.5%
Fulton County	174	10,015	0	3,771	13,961	3,986,413	0.4%
Aubbeenaubbee Township	0	0	0	10	10	54,841	0.0%
Henry Township	4	259	0	127	391	72,918	0.5%
Liberty Township	0	38	0	36	74	43,610	0.2%
Newcastle Township	0	0	0	9	9	37,205	0.0%
Richland Township	0	0	0	4	4	30,921	0.0%
Rochester Township	1	0	0	198	199	173,299	0.1%
Union Township	0	338	0	103	441	74,103	0.6%
Wayne Township	0	0	0	0	0	48,851	0.0%
Rochester Civil City	132	0	0	2,530	2,662	2,409,134	0.1%
Akron Civil Town	252	15,577	0	479	16,308	212,848	7.7%
Fulton Civil Town	0	2,492	0	80	2,571	43,634	5.9%
Kewanna Civil Town	0	10,912	0	194	11,106	185,141	6.0%
Union Township School Corp	0	0	0	0	0	0	
Rochester Community School Corp	117	0	0	4,139	4,256	3,872,447	0.1%
Caston School Corp	0	5,690	0	538	6,228	1,087,671	0.6%
Tippecanoe Valley School Corp	270	16,697	0	2,138	19,105	1,652,645	1.2%
Culver Community School Corp	0	0	0	35	35	196,908	0.0%
Eastern Pulaski Community School Corp	0	0	0	99	99	160,402	0.1%
Akron Carnegie Public Library	54	3,321	0	398	3,773	217,283	1.7%
Kewanna Public Library	0	1,364	0	201	1,565	148,314	1.1%
Fulton County Public Library	25	283	0	910	1,218	1,145,922	0.1%
Fulton County Solid Waste Mgt Dist	0	0	0	0	0	0	
Fulton County Airport Authority	18	1,035	0	390	1,443	411,961	0.4%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.